

# **Exhibit A**



# Hennesssey Hedge Fund Advisory Group

## Investor Presentation

*Your Strategic Partner  
In Hedge Fund Investing*

## Hennessee Hedge Fund Advisory Group

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*Your Strategic Partner In Hedge Fund Investing*

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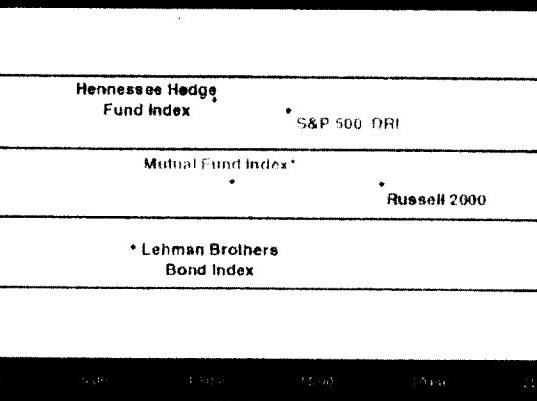
## I. What Is A Hedge Fund

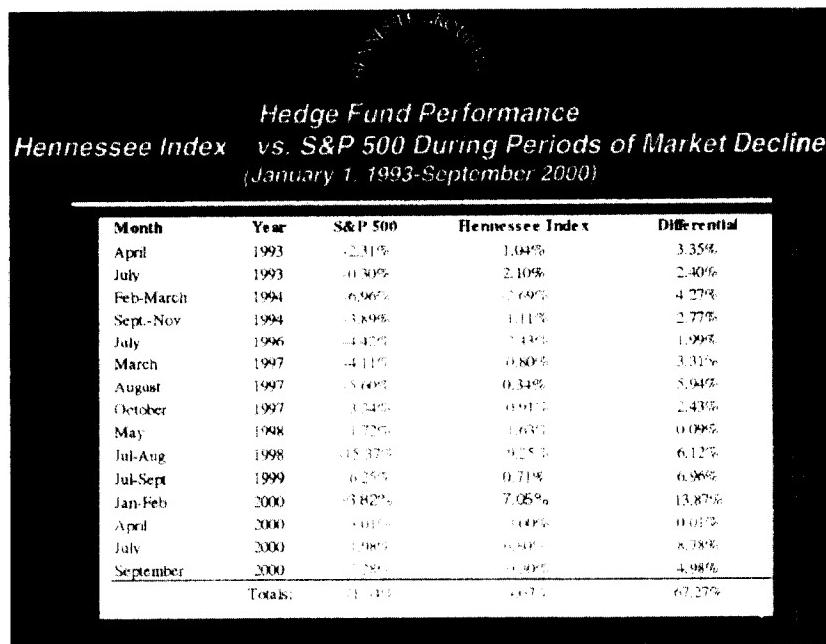
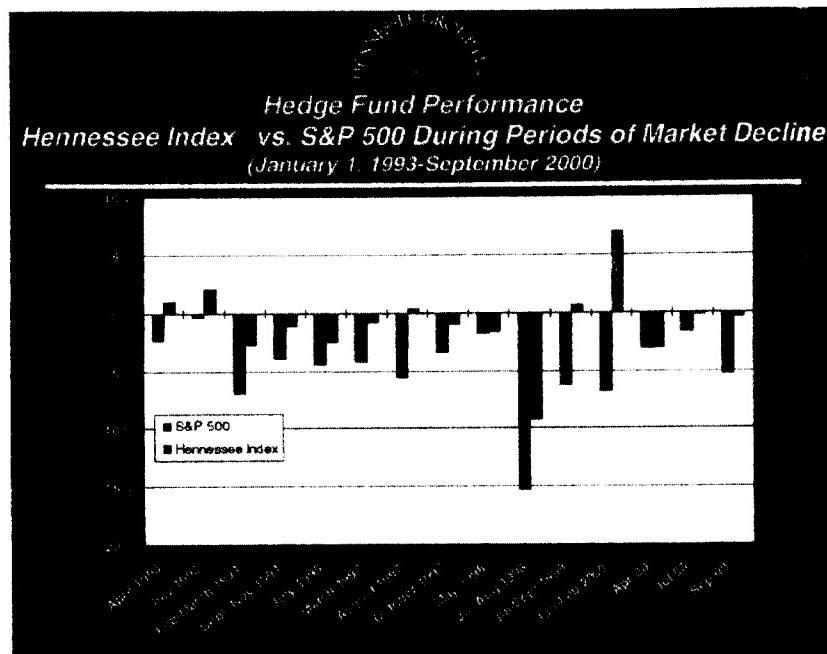
## What is a Hedge Fund?

- After the first year, the proposed budget will be submitted for investigation.
  - The proposed budget is normally broken down into two parts – like, for instance, one part for the cost of the new building and another for all the other costs.
  - The proposed budget is then submitted to the appropriate committee for discussion.
  - This is followed by a period of negotiation between the committee and the members of the council.
  - During this period, members of the committee may add, drop or amend their proposed budget as they see fit according to their wishes.
  - The chairman of the budget committee is required to submit his/her revised budget to the S&P for its approval at that stage.
  - The S&P has the option to accept the budget as it is or to make changes to the budget.

## II. Why Invest in Hedge Funds

### *Hedge Funds and Mutual Funds Versus S&P 500 Comparative Risk/Return Analysis (January 1, 1987-September 2000)*





  
**Hedge Fund Performance Characteristics 1987-1999**

• Hedge funds *underperformed*:

- AVERAGE MARKETS (S&P 500 Index +4% to +36%) Historically, the S&P has had an average annual return of 12% with a standard deviation of 8% (for example)
- DOWN MARKETS... especially those following a major correction (for example 1987, 1990, 2000) and those following a market correction (for example 1998)

• Partly due to the losses associated with hedging, hedge funds *underperformed* in markets characterized by excessive valuation, speculative trading and momentum trading (for example)

• When included as part of a traditionally managed portfolio, hedge funds can lower return volatility (standard deviation) and enhance overall returns

• Unlike traditionally managed portfolios, hedge funds are both an offensive and defensive investment approach

- Hedge funds can participate on the upside in a bull market and protect capital in a market crash or in a market

### III. Who We Are

  
**Hennesssee Group LLC**

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- **Industry Leader:** a limited partnership based in New York City, Hennesssee Group LLC is one of the oldest and most successful hedge funds in the industry.
- **Investor Confidence:** Hennesssee Group LLC has a long history of success and a solid track record of consistent performance.
- **Focus:** Hedging risk through diversification and asset allocation.
- **Experience:** Since 1978, the firm has managed over \$1 billion in assets under management and has consistently delivered superior returns.
- **Hennesssee Hedge Fund Indices:** The company's first three funds were included in the BCI Index of Hedge Funds.
- **Research:** The firm's research department is headed by Dr. Michael Hennesssee, a former member of the faculty at the University of Chicago Booth School of Business and the author of numerous academic papers and books.
- **Hands-on:** Each member of the firm is involved in the day-to-day management of the fund, and each member of the firm is actively involved in the day-to-day management of the fund.

  
**Hennesssee Group Principals**

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**Michael J. Hennesssee**  
Chairman & CEO  
Michael J. Hennesssee is the Chairman and CEO of Hennesssee Group LLC. He is also the founder and managing partner of Hennesssee Capital Management, L.P., a registered investment advisor. Mr. Hennesssee has been involved in the financial markets since 1978, and has been a member of the faculty at the University of Chicago Booth School of Business. He is a frequent speaker at industry conferences and has written numerous academic papers and books on the subject of hedge funds.

**John P. Hennesssee**  
President & COO  
John P. Hennesssee is the President and COO of Hennesssee Group LLC. He is also the managing partner of Hennesssee Capital Management, L.P. Mr. Hennesssee has been involved in the financial markets since 1982, and has been a member of the faculty at the University of Chicago Booth School of Business. He is a frequent speaker at industry conferences and has written numerous academic papers and books on the subject of hedge funds.

**James A. Hennesssee**  
Vice Chairman  
James A. Hennesssee is the Vice Chairman of Hennesssee Group LLC. He is also the managing partner of Hennesssee Capital Management, L.P. Mr. Hennesssee has been involved in the financial markets since 1985, and has been a member of the faculty at the University of Chicago Booth School of Business. He is a frequent speaker at industry conferences and has written numerous academic papers and books on the subject of hedge funds.

## V. The Importance of Due Diligence

### *Importance of Manager Selection* *Hennessee Hedge Fund Industry Performance Analysis*

	1998	1999	2000	2001	2002	2003	2004
Performance	10%	10%	10%	10%	10%	10%	10%
Alpha	10%	10%	10%	10%	10%	10%	10%
Beta	10%	10%	10%	10%	10%	10%	10%
Correlation	10%	10%	10%	10%	10%	10%	10%
Volatility	10%	10%	10%	10%	10%	10%	10%
Sharpe Ratio	10%	10%	10%	10%	10%	10%	10%
Risk-Free	10%	10%	10%	10%	10%	10%	10%
Alpha	10%	10%	10%	10%	10%	10%	10%
Beta	10%	10%	10%	10%	10%	10%	10%
Correlation	10%	10%	10%	10%	10%	10%	10%
Volatility	10%	10%	10%	10%	10%	10%	10%
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Beta	10%	10%	10%	10%	10%	10%	10%
Correlation	10%	10%	10%	10%	10%	10%	10%
Volatility	10%	10%	10%	10%	10%	10%	10%
Sharpe Ratio	10%	10%	10%	10%	10%	10%	10%
Risk-Free	10%	10%	10%	10%	10%	10%	10%
Alpha	10%	10%	10%	10%	10%	10%	10%
Beta	10%	10%	10%	10%	10%	10%	10%
Correlation	10%	10%	10%	10%	10%	10%	10%
Volatility	10%	10%	10%	10%	10%	10%	10%
Sharpe Ratio	10%	10%	10%	10%	10%	10%	10%
Risk-Free	10%	10%	10%	10%	10%	10%	10%

## IV. Hennessee Group Value Added

### ***Hennessee Group Value Added***

#### **PRESENCE IN THE HEDGE FUND INDUSTRY**

- Strategic alliance with one of the largest hedge fund managers
- Numerous relationships with leading hedge fund managers
- Broad knowledge of the hedge fund industry

#### **HANDS-ON EXPERIENCE IN MANAGING MONEY**

- 20 years experience
- Strategic planning

#### **PROFESSIONAL NETWORK**

- Strategic alliances
- Numerous relationships with leading hedge fund managers
- Broad knowledge of the hedge fund industry

#### **PROPRIETARY DATABASE AND ANALYTICS**

- Strategic alliance with one of the largest hedge fund managers
- Proprietary database and analytical tools

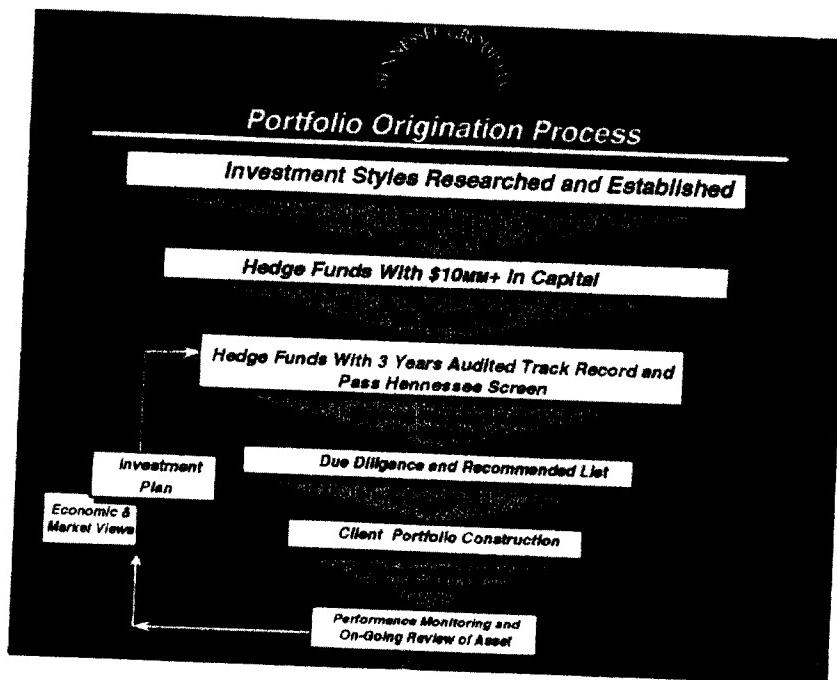
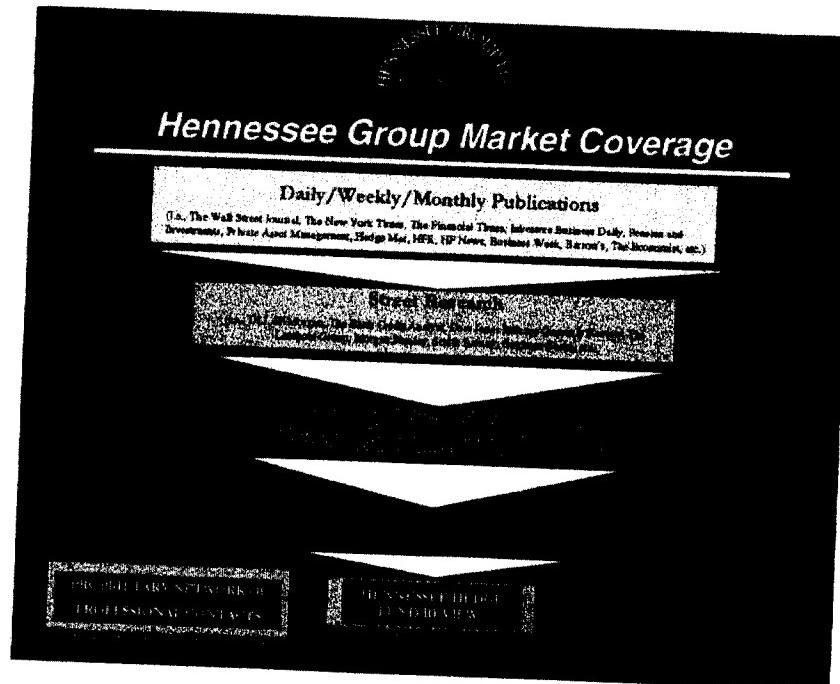
#### **ASSET ALLOCATION AND MANAGER SELECTION PROCESS**

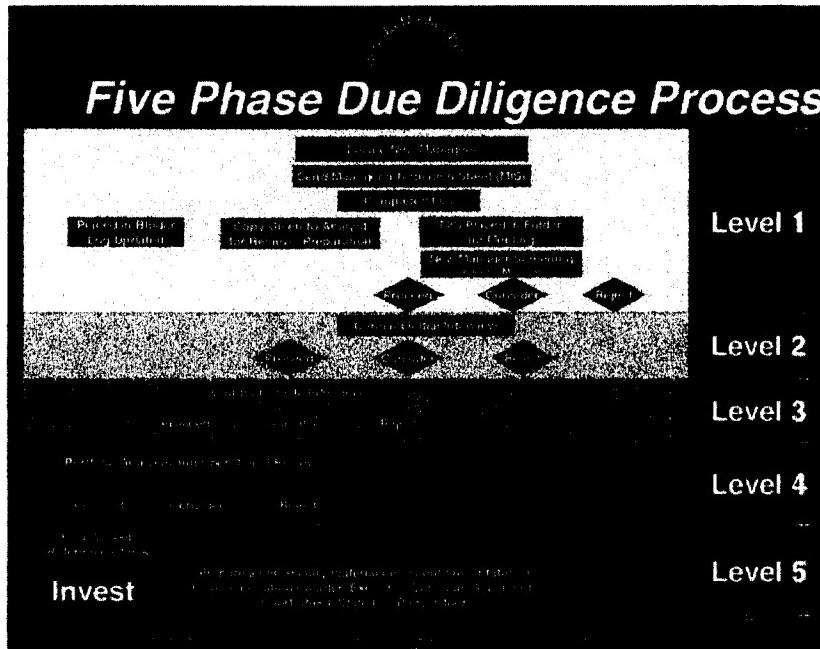
- Strategic alliance with one of the largest hedge fund managers
- Proprietary database and analytical tools

#### **PERFORMANCE MONITORING PROCESS**

- Strategic alliance with one of the largest hedge fund managers

#### **UNIQUE DUE DILIGENCE PROCESS**





## **Level One - Due Diligence**

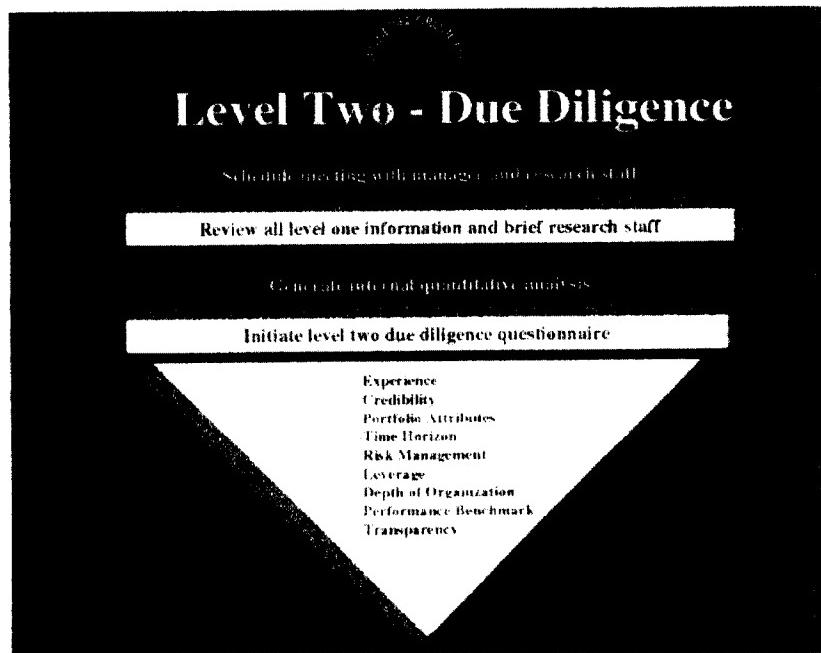
- ◆ Send MIS (Manager Information Sheet) - Date, stamp and log
    - Receive MIS
      - Promoteing
      - Additional information "New Manager" including
      - Review MIS and Marketing Materials
      - Email Materials received
    - Monthly Assessment Committee meeting to discuss received MIS
    - Moving Determination
      - Report Manager
      - Future Expansion
      - Proceed
  - Additional Sources of New Managers
    - Clients
    - Managers
    - Street research, publications, papers
  - Determination made proceed to level two add to our indices

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## Manager Information Sheet

<ul style="list-style-type: none"> <li>• Inception date of Fund</li> <li>• Assets with Company/Fund</li> <li>• GP investment interest in fund</li> <li>• Size and Composition of team</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle Structure</li> <li>• Fees</li> <li>• Leverage Provisions</li> <li>• Alternatives</li> <li>• Custodian/Offshore</li> </ul>	<ul style="list-style-type: none"> <li>• SEC Infractions/Litigation</li> <li>– Past</li> <li>– Present</li> </ul>			
<p><b>Tax Efficiency (percent long term)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; padding: 5px;">• Sources of Capital Fund of Funds Individuals Endowments/ Foundations Institutions</td> <td style="width: 33%; padding: 5px;">• Associated Professionals Legal Tax Audit</td> <td style="width: 33%; padding: 5px;">• Style Categorization Leverage Hedging Use of Derivatives Portfolio Composition Equity/Debt Market Cap</td> </tr> </table>			• Sources of Capital Fund of Funds Individuals Endowments/ Foundations Institutions	• Associated Professionals Legal Tax Audit	• Style Categorization Leverage Hedging Use of Derivatives Portfolio Composition Equity/Debt Market Cap
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<p><b>Performance</b></p> <ul style="list-style-type: none"> <li>– Audited</li> <li>– Trade Marks</li> <li>– Monthly Historical Performance</li> </ul>					



## Level Three Due Diligence

### ONSITE INTERVIEW WITH MANAGER

- Qualitative Components:

Meeting scheduled at manager location  
Focus on completing level two questions  
Address concerns and attain answers to  
any new questions not yet addressed as  
a result of our internal Investment  
Committee meeting

- Interact with Personnel from the top down to  
develop an impression of overall  
professionalism, attitude and depth of  
organization
- Notes completed/concerns addressed following  
an Investment Committee meeting to  
determine status of manager

- Qualitative Aspects

- Systems
  - Administrative
  - Trading
  - Risk Management
- Personnel
- Culture
- Organization/Philosophy
- Environment

## Level Four - Due Diligence

- Receipt of required information:

1. Individual positions of the portfolio; Long, Short, Cash and Derivatives
2. Off balance sheet transactions; Counter-party risk
3. Weightings of individual holdings
4. Average holding period of positions
5. Beta, market capitalization and trade days of portfolio



## Quantitative Portfolio Analysis

Portfolio Analysis			Liquidity Analysis		
Fund Type	Fund Size (\$)	Returns (%)	Liquidity	Liquidity (%)	Averages
Hedge Fund	\$100,000	12.5%	High	100%	100%
Private Equity	\$100,000	10.0%	Medium	80%	80%
Venture Capital	\$100,000	15.0%	Low	60%	60%
Real Estate	\$100,000	8.0%	Very Low	40%	40%

Correlation Matrix Analysis			Risk Metrics		
Fund Type	1.00	0.85	0.70	0.60	0.50
Private Equity	0.85	1.00	0.75	0.65	0.55
Venture Capital	0.70	0.75	1.00	0.80	0.70
Real Estate	0.60	0.65	0.80	1.00	0.60
Hedge Fund	0.50	0.55	0.70	0.60	1.00

Alpha Beta Correlation			Beta CAPM		
Fund Type	1.00	0.85	0.70	0.60	0.50
Private Equity	0.85	1.00	0.75	0.65	0.55
Venture Capital	0.70	0.75	1.00	0.80	0.70
Real Estate	0.60	0.65	0.80	1.00	0.60
Hedge Fund	0.50	0.55	0.70	0.60	1.00

Sector Scores			Industry CAPM		
Fund Type	1.00	0.85	0.70	0.60	0.50
Private Equity	0.85	1.00	0.75	0.65	0.55
Venture Capital	0.70	0.75	1.00	0.80	0.70
Real Estate	0.60	0.65	0.80	1.00	0.60
Hedge Fund	0.50	0.55	0.70	0.60	1.00



## Level Five - Due Diligence

- Legal/Audit Review**
  - Obtain audited financial statements
    - Interest expense, GP investment, off balance sheet transactions, private equity
  - Thorough review of legal documents
    - Offering Memorandum and Limited Partnership Agreements
  
- Internal Background Check
  - References provided
  - Confidentiality agreement
  - Third Party
  - Proprietary Information
  - Contractual obligations
  - Non-employee
  
- External Background Check (Optional)**
  - Use of an investigative agency for businesses and organizations
    - Level One
      - Check criminal records and SEC records, publication search
      - Verify academic record
    - Level Two
      - Level one, check civil actions, state & federal tax liens and bankruptcy indices
    - Level Three
      - Performs investigation in multiple geographic regions

## VI. On-Going Due Diligence

### On-Going Due Diligence

- Making a decision to invest in a manager is only the first step. Monitoring the investment, once it is made, is equally important.

Most Partnership Agreements allow the manager to invest with few constraints.  
Style Drift can often become a problem.  
Monitoring adaptation to changing market conditions.

- We provide our clients with monthly portfolio reports.

Evaluate each manager's return on both an absolute and relative basis, while comparing this data to Hennessy Group Indices and other appropriate benchmarks.

- A disciplined on-going Due Diligence analysis for each manager our clients are invested in.

Detailed manager and portfolio information.  
Compilation on either a monthly, bi-monthly, or quarterly basis.  
A consistent template which facilitates the client's review process.

## On-Going Due Diligence Example

<b>MARKET VIEW</b>	<ul style="list-style-type: none"> <li>• The assets under observation at a similar fund that the Fund, however the rally in the latter part of October really worked in favor of the Fund.</li> <li>• The manager also stated that the market corrections have turned around showing some good signs of strength in the market. Volatility and risk however, the manager still believes that volatilities are too high.</li> <li>• Manager is in agreement and comfortable with the position in the current environment. He sees the market recovering and being set up for a strong finish.</li> <li>• The manager <b>not the management</b> is the individual that has holdings are <del>available</del> to cash the portfolio gains are still there.</li> </ul>
<b>PORTFOLIO STRUCTURE</b>	<ul style="list-style-type: none"> <li>• On October 21st, the portfolio was 13% long equities and -13% short equities for a total long exposure of 100%. The manager mentioned that the portfolio is diversified with about 90% of the long portfolio having over 100% gains. This year the portfolio is positioned as follows on a percentage basis: Long equities (50%), Bonds (34%), Venture (5.4%), Options (3.7%), Mortgages (3.7%), Short equities (1.6%), Gold (4.6%), AAA systems (2.4%), Long Q (2.6%) and Ticks (1.3%).</li> <li>• Long equities are up 100% for the year to date, while bonds are down 10%, Venture is up 100%, Options are up 100%, Mortgages are up 100%, Short equities are up 100%, Gold is up 100%, AAA systems are up 100%, Long Q is up 100% and Ticks are up 100%.</li> <li>• The manager believes that there is less opportunity in the long equity and related sectors and has already reduced their exposure to the long side of the portfolio to 50%.</li> <li>• The manager's top 10 long equity positions are as follows: Wal-Mart (11.4%), VISA (11.4%), SAP (1.9%), Cisco Systems (1.1%), Google (1.1%), Dell (1.0%), IBM (1.0%), Microsoft (1.0%), AT&amp;T (1.0%) and Intel (1.0%). The top 10 short positions in the portfolio are: Home Depot (-11.4%), VIX (-11.4%), DAX (-1.0%), Nikkei (-1.0%), S&amp;P 500 (-1.0%), Nasdaq (-1.0%), Dow Jones (-1.0%), and Euro Stoxx (-1.0%).</li> </ul>
<b>NUMBER OF PORTFOLIOS</b>	<ul style="list-style-type: none"> <li>• The portfolio consists of 47 long positions and 31 short positions.</li> </ul>
<b>PERFORMANCE</b>	<ul style="list-style-type: none"> <li>• The portfolio had an annual performance of 10.01% net for the month of October.</li> <li>• This is worked very well on the month side with only a few trading up.</li> <li>• Telecommunications services worked well for the month. Retail and pharmaceuticals also made a positive contribution to this months' performance.</li> <li>• The manager also pointed the largest percentage of gains in the portfolio for the month, as all of the stocks in the portfolio are doing higher.</li> <li>• All of the funds managers play were also on the month and these investments have been positively impacted by the interest rate cuts.</li> <li>• The retail plays did not work well in a strong low environment, especially after the recessions &amp; most liquid stocks were hit and as a result the manager did not invest in the retail sector.</li> </ul>
<b>FUTURE PORTFOLIO EXPECTATIONS</b>	<ul style="list-style-type: none"> <li>• The manager expects the market to open up again, with a rebound, due to recent problems and data coverage. He expects that most will have a large exposure to the portfolio for the next 3-6 months.</li> <li>• The manager believes that many of the portfolio's companies are in the early stages of earnings gains and going forward will continue to make gains when the going is rough.</li> </ul>
<b>MARKET CONCERNES</b>	<ul style="list-style-type: none"> <li>• The manager stated that the Fund is well ahead of its peer group and out ahead of others for the short and medium term due to its plays.</li> <li>• The manager can be contacted via email or telephone to review or performance of year end.</li> <li>• The manager has been in contact with the "leaders" of the TIAA group. That being said, he will not be meeting with the current portfolio.</li> </ul>
<b>ORGANISATIONAL CHANGES</b>	<ul style="list-style-type: none"> <li>• The manager stated that the Fund is well ahead of its peer group and out ahead of others for the short and medium term due to its plays.</li> <li>• The manager can be contacted via email or telephone to review or performance of year end.</li> <li>• The manager has been in contact with the "leaders" of the TIAA group. That being said, he will not be meeting with the current portfolio.</li> </ul>
<b>INVESTMENT/CAPITAL</b>	<ul style="list-style-type: none"> <li>• The manager stated that the Fund is well ahead of its peer group and out ahead of others for the short and medium term due to its plays.</li> <li>• The manager can be contacted via email or telephone to review or performance of year end.</li> <li>• The manager has been in contact with the "leaders" of the TIAA group. That being said, he will not be meeting with the current portfolio.</li> </ul>

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